# Financial Summary for First Quarter of Fiscal 2014
# [Japanese GAAP] [Consolidated]

July 31, 2013


Name of listed company: **ZENRIN Co., Ltd.** Stock exchange listings: Tokyo and Fukuoka
Securities code: 9474 URL: http://www.zenrin.co.jp/
Representative: [Title] President and CEO TEL: +81-93-592-9050
[Name] Zenshi Takayama
Contact: [Title] Executive Officer, and Head of Corporate Management Division
[Name] Masami Matsuo


Scheduled date of submission of quarterly securities report: August 2, 2013
Scheduled date of commencement of dividend payouts: –
Preparation of supplementary explanatory materials on quarterly results: Yes
Holding of briefing session on quarterly results: None

[Amounts are rounded down to the nearest million yen]

## 1. Consolidated Results of Operations in First Quarter of Fiscal 2014

***ZENRIN's first quarter of fiscal 2014 is the period from April 1, 2013 to June 30, 2013.***

### (1) Consolidated Business Performance [Cumulative]

[% figures represent the increase (decrease) compared to the same period of the previous fiscal year]

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| First quarter of fiscal 2014 | 11,320 | (6.2) | (240) | – | (130) | – | (236) | – |
| First quarter of fiscal 2013 | 12,071 | 15.5 | 948 | – | 1,078 | – | 424 | – |

[Note] Comprehensive income First quarter of fiscal 2014: 37 million yen [(90.7%)]
First quarter of fiscal 2013: 403 million yen [ –%]

| | Net income per share | Diluted net income per share |
|---|---|---|
| | yen | yen |
| First quarter of fiscal 2014 | (6.43) | – |
| First quarter of fiscal 2013 | 11.55 | – |

### (2) Consolidated Financial Position

| | Total assets | Net assets | Ratio of equity to total assets |
|---|---|---|---|
| | million yen | million yen | % |
| First quarter of fiscal 2014 | 51,439 | 37,072 | 68.7 |
| Fiscal 2013 | 56,376 | 37,663 | 63.9 |

[Reference] Equity First quarter of fiscal 2014: 35,352 million yen Fiscal 2013: 36,024 million yen

## 2. Dividends

| | Annual dividend | | | | |
|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | Year-end | Total |
| | yen | yen | yen | yen | yen |
| Fiscal 2013 | – | 15.00 | – | 15.00 | 30.00 |
| Fiscal 2014 | – | | | | |
| Fiscal 2014 [forecast] | | 15.00 | – | 15.00 | 30.00 |

[Note] Revision from most recently announced forecast for dividends: None

## 3. Forecast for Consolidated Results of Operations in Fiscal 2014

***ZENRIN's fiscal 2014 is the period from April 1, 2013 to March 31, 2014.***

[% figures for the fiscal year represent the increase (decrease) compared to the previous fiscal year; % figures for the first 2 quarters [cumulative] represent the increase (decrease) compared to the same period of the previous fiscal year]

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| First 2 quarters [cumulative] | 25,200 | (2.5) | 800 | (68.8) | 900 | (67.1) | 200 | (82.8) | 5.44 |
| Fiscal year | 56,000 | 1.8 | 5,200 | (6.9) | 5,500 | 8.3 | 2,500 | 36.2 | 68.00 |

[Note] Revision from most recently announced forecast for results of operations: None

# ATTACHMENT

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Business Performance

In the first quarter of fiscal 2014 (from April 1, 2013 to June 30, 2013), the Japanese economy showed signs of pickup, backed by improvement in the export environment as well as expectations for economic measures and monetary policies. However, the state of uncertainty in the real economy still persists, as evident by downside risks in the overseas economy still remaining and other factors.

Under such an environment, despite robust performance in the selling of residential map databases and smartphone services, decrease in sales of data for Japanese and overseas in-car navigation systems and other factors resulted in net sales of 11,320 million yen (decreased 750 million yen, or down 6.2%, compared to the same period of the previous fiscal year).

In terms of income or loss, in addition to decrease in net sales, increase in prior expenses associated with database maintenance, smartphone services, etc. resulted in operating loss of 240 million yen (downturn of 1,188 million yen compared to the same period of the previous fiscal year), ordinary loss of 130 million yen (downturn of 1,209 million yen compared to the same period of the previous fiscal year) and net loss of 236 million yen (downturn of 661 million yen compared to the same period of the previous fiscal year).

Please note that past net sales of the ZENRIN Group have shown trends of large seasonal fluctuations and sales concentrating in the fourth quarter.

Furthermore, ZENRIN's consolidated subsidiary, ZENRIN DataCom Co., Ltd., converted INFOTRACK TELEMATICS PTE. LTD., which is a service provider of location information in India and Southeast Asia, and its subsidiary CERT INFOTRACK TELEMATICS PRIVATE LIMITED into subsidiaries on June 28, 2013.

**[Segment Results of Operations]**

***Map Database Segment***

The Map Database segment, which is the ZENRIN Group's core business, saw robust sales related to GIS utilizing residential map databases and sales related to ICT centering on smartphone services, etc. On the other hand, because the same period of the previous fiscal year was a period subject to subsidies for green vehicles, decrease in new vehicle sales volume in Japan on the rebound of such were among the factors that led to decrease in sales of data for Japanese in-car navigation systems. In addition, concerning sales of data for overseas in-car navigation systems, sales in the North American market decreased.

The result was Map Database segment net sales of 9,672 million yen (decreased 632 million yen, or down 6.1%, compared to the same period of the previous fiscal year) and segment loss of 305 million yen (downturn of 1,227 million yen compared to the same period of the previous fiscal year).

***General Printing Segment***

The results of the General Printing segment were net sales of 941 million yen (increased 11 million yen, or up 1.3%, compared to the same period of the previous fiscal year) and segment loss of 0 million yen (improved 36 million yen compared to the same period of the previous fiscal year).

***Other***

The results other than that of the Map Database segment and General Printing segment were net sales of 706 million yen (decreased 129 million yen, or down 15.5%, compared to the same period of the previous fiscal year) and segment income of 28 million yen (increased 1 million yen, or up 6.2%, compared to the same period of the previous fiscal year).

**[Reportable Segment Information]**

**I. First Quarter of Fiscal 2013 (from April 1, 2012 to June 30, 2012)**

**(a) Information on Reportable Segment Net Sales and Income or Loss Amount**

[Unit: million yen]

| | Reportable segments | | | Other [Note] | Total |
|---|---|---|---|---|---|
| | Map Database segment | General Printing segment | Total | | |
| Net sales | | | | | |
| Net sales to external customers | 10,305 | 929 | 11,234 | 836 | 12,071 |
| Intersegment net sales or transfers | 15 | 35 | 50 | 28 | 78 |
| Total | 10,320 | 964 | 11,285 | 864 | 12,149 |
| Segment income (loss) | 921 | (37) | 884 | 26 | 911 |

[Note] The “Other” item encompasses the selling of purchased products, commissioned CAD processing, internet and other advertising distribution, and other business activities that are not attributable to reportable segments.

**(b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)**

[Unit: million yen]

| Income | Amount |
|---|---|
| Total for reportable segments | 884 |
| Income of “Other” item | 26 |
| Eliminations of intersegment transactions | 37 |
| Operating income on quarterly consolidated statements of income | 948 |

## II. First Quarter of Fiscal 2014 (from April 1, 2013 to June 30, 2013)

### (a) Information on Reportable Segment Net Sales and Income or Loss Amount

[Unit: million yen]

| | Reportable segments | | | Other [Note] | Total |
|---|---|---|---|---|---|
| | Map Database segment | General Printing segment | Total | | |
| Net sales | | | | | |
| Net sales to external customers | 9,672 | 941 | 10,613 | 706 | 11,320 |
| Intersegment net sales or transfers | 20 | 41 | 61 | 40 | 101 |
| Total | 9,693 | 982 | 10,675 | 746 | 11,422 |
| Segment income (loss) | (305) | (0) | (306) | 28 | (278) |

[Note] The “Other” item encompasses the selling of purchased products, commissioned CAD processing and other business activities that are not attributable to reportable segments.

### (b) Total Amount of Reportable Segment Income or Loss Amount and its Difference in Amount with Amount on Quarterly Consolidated Statements of Income, and Principal Components of the Difference in Amount (Matters Concerning Reconciliation of Differences)

[Unit: million yen]

| Income | Amount |
|---|---|
| Total for reportable segments | (306) |
| Income of “Other” item | 28 |
| Eliminations of intersegment transactions | 38 |
| Operating income (loss) on quarterly consolidated statements of income | (240) |

## (2) Explanation of Financial Position

Total assets at the end of the first quarter of fiscal 2014 decreased 4,937 million yen (8.8%) compared to at the end of fiscal 2013 to 51,439 million yen. This was mainly attributable to increase in each of software in the amount of 813 million yen and investment securities in the amount of 473 million yen being offset by decrease in cash and deposits in the amount of 3,647 million yen, which was due in part to payment of trade accounts payable and capital investment, and decrease in trade notes and accounts receivable in the amount of 2,995 million yen, which was due to decrease in net sales in the first quarter of fiscal 2014 compared to the fourth quarter of fiscal 2013 owing to seasonal fluctuations.

Liabilities decreased 4,346 million yen (23.2%) compared to at the end of fiscal 2013 to 14,366 million yen. This was mainly attributable to decrease in trade accounts payable in the amount of 989 million yen, which was due in part to payment, decrease in short-term loans payable in the amount of 400 million yen, which was due in part to repayment, and decrease in income taxes payable in the amount of 1,616 million yen, which was due in part to tax payment.

Net assets decreased 590 million yen (1.6%) compared to at the end of fiscal 2013 to 37,072 million yen. This was mainly attributable to dividends from surplus in the amount of 551 million yen.

As a result, the ratio of equity to total assets at the end of the first quarter of fiscal 2014 was up 4.8 points compared to at the end of fiscal 2013 to 68.7%.

## (3) Explanation of Forecast for Consolidated Results of Operations and Other Forward-Looking Statements

The forecast for consolidated results of operations in the first 2 quarters of fiscal 2014 and in fiscal 2014 remain unchanged from that announced on May 8, 2013.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

[Unit: million yen]

| | Fiscal 2013 | First quarter of fiscal 2014 |
|---|---|---|
| | As of March 31, 2013 | As of June 30, 2013 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,267 | 4,619 |
| Notes and accounts receivable – trade | 11,995 | 8,999 |
| Short-term investment securities | 51 | – |
| Inventories | 1,448 | 1,593 |
| Other | 2,501 | 2,966 |
| Allowance for doubtful accounts | (8) | (7) |
| Total current assets | 24,256 | 18,172 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,367 | 4,287 |
| Land | 8,326 | 8,326 |
| Other, net | 2,822 | 3,603 |
| Total property, plant and equipment | 15,516 | 16,218 |
| Intangible assets | | |
| Software | 7,229 | 8,042 |
| Other | 3,316 | 2,655 |
| Total intangible assets | 10,546 | 10,698 |
| Investments and other assets | | |
| Investment securities | 3,202 | 3,675 |
| Other | 2,965 | 2,782 |
| Allowance for doubtful accounts | (111) | (107) |
| Total investments and other assets | 6,057 | 6,350 |
| Total noncurrent assets | 32,120 | 33,267 |
| Total assets | 56,376 | 51,439 |

[Unit: million yen]

| | Fiscal 2013 | First quarter of fiscal 2014 |
|---|---|---|
| | As of March 31, 2013 | As of June 30, 2013 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 2,472 | 1,483 |
| Short-term loans payable | 1,869 | 1,469 |
| Accrued expenses | 3,759 | 3,765 |
| Income taxes payable | 1,797 | 181 |
| Provision for directors' bonuses | 161 | 12 |
| Other | 4,462 | 3,379 |
| Total current liabilities | 14,523 | 10,291 |
| Noncurrent liabilities | | |
| Long-term loans payable | 943 | 893 |
| Provision for retirement benefits | 1,561 | 1,567 |
| Provision for directors' retirement benefits | 133 | 127 |
| Other | 1,552 | 1,486 |
| Total noncurrent liabilities | 4,190 | 4,074 |
| Total liabilities | 18,713 | 14,366 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,557 | 6,557 |
| Capital surplus | 13,111 | 13,111 |
| Retained earnings | 18,892 | 18,104 |
| Treasury stock | (2,323) | (2,294) |
| Total shareholders' equity | 36,237 | 35,479 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 128 | 137 |
| Foreign currency translation adjustment | (341) | (264) |
| Total accumulated other comprehensive income | (213) | (126) |
| Minority interests | 1,639 | 1,720 |
| Total net assets | 37,663 | 37,072 |
| Total liabilities and net assets | 56,376 | 51,439 |

## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

### Quarterly Consolidated Statements of Income [Cumulative]

[Unit: million yen]

| | First quarter of fiscal 2013<br>From: April 1, 2012<br>To: June 30, 2012 | First quarter of fiscal 2014<br>From: April 1, 2013<br>To: June 30, 2013 |
|---|---|---|
| Net sales | 12,071 | 11,320 |
| Cost of sales | 6,841 | 7,041 |
| Gross profit | 5,229 | 4,279 |
| Selling, general and administrative expenses | 4,280 | 4,519 |
| Operating income (loss) | 948 | (240) |
| Non-operating income | | |
| Interest income | 3 | 3 |
| Dividends income | 116 | 63 |
| Equity in earnings of affiliates | – | 4 |
| Real estate rent | 36 | 35 |
| Other | 50 | 31 |
| Total non-operating income | 205 | 139 |
| Non-operating expenses | | |
| Interest expenses | 7 | 5 |
| Depreciation of assets for rent | 6 | 6 |
| Foreign exchange losses | 11 | 13 |
| Equity in losses of affiliates | 45 | – |
| Other | 5 | 3 |
| Total non-operating expenses | 75 | 29 |
| Ordinary income (loss) | 1,078 | (130) |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | – | 93 |
| Total extraordinary income | – | 93 |
| Extraordinary loss | | |
| Loss on sales and retirement of noncurrent assets | 2 | 31 |
| Loss on valuation of investment securities | 23 | 2 |
| Loss on valuation of golf club membership | 1 | – |
| Total extraordinary losses | 26 | 34 |
| Income (loss) before income taxes and minority interests | 1,051 | (70) |
| Income taxes – current | 356 | 205 |
| Income taxes – deferred | 83 | (203) |
| Total income taxes | 440 | 2 |
| Income (loss) before minority interests | 611 | (73) |
| Minority interests in income | 187 | 163 |
| Net income (loss) | 424 | (236) |

## Quarterly Consolidated Statements of Comprehensive Income [Cumulative]

[Unit: million yen]

| | First quarter of fiscal 2013<br>From: April 1, 2012<br>To: June 30, 2012 | First quarter of fiscal 2014<br>From: April 1, 2013<br>To: June 30, 2013 |
|---|---|---|
| Income (loss) before minority interests | 611 | (73) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (92) | 33 |
| Foreign currency translation adjustment | 54 | 100 |
| Share of other comprehensive income of associates accounted for using equity method | (170) | (23) |
| Total other comprehensive income | (208) | 110 |
| Comprehensive income | 403 | 37 |
| [Comprehensive income attributable to] | | |
| Comprehensive income attributable to owners of the parent | 216 | (149) |
| Comprehensive income attributable to minority interests | 187 | 186 |

### (3) Notes to Quarterly Consolidated Financial Statements

**Notes on the Going Concern Assumption**
Not applicable.

**Notes in the Event of Material Change in the Amount of Shareholders' Equity**
Not applicable.

## 3. Supplementary Information

***Sales Turnover based on Business Composition under Medium-Term Business Plan ZGP2015***

| Business composition | First quarter of fiscal 2013 | First quarter of fiscal 2014 | Amount of increase (decrease) | Rate of increase (decrease) | Main items |
|---|---|---|---|---|---|
| | million yen | million yen | million yen | % | |
| Advertising business | 71 | 68 | (2) | (3.6) | Various media |
| Publishing business | 1,726 | 1,599 | (127) | (7.4) | Printed residential maps, special-purpose maps, and purchased products |
| GIS business | 1,733 | 1,955 | 221 | 12.8 | Residential map databases |
| ICT business | 3,307 | 3,410 | 103 | 3.1 | Services for smartphones / mobile phones, and map data provision for internet services |
| ITS business | 2,825 | 2,393 | (432) | (15.3) | Data for Japanese in-car navigation systems |
| Global business | 802 | 408 | (393) | (49.0) | Data for overseas in-car navigation systems, and various overseas content |
| Other business | 1,604 | 1,483 | (120) | (7.5) | General printing goods, commissioned CAD processing, sales promotion products, etc. |
| Total | 12,071 | 11,320 | (750) | (6.2) | |